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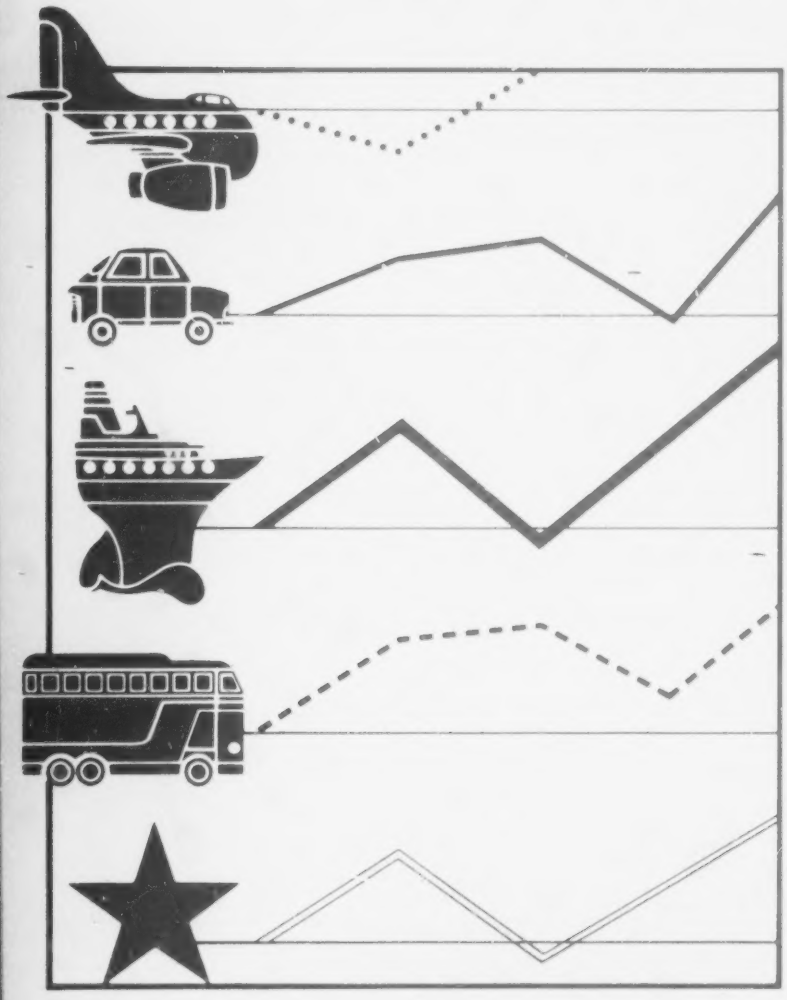
1985-86 Impact of Foreign Visitors' Spending on States' Economies



Conducted for the United States Travel and Tourism Administration's Office of Research

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The US Travel Data Center is an affiliate of the Travel Industry Association of America

1985-86 Impact of Foreign Visitors' Spending on States' Economies

A study prepared for the
U.S. Travel and Tourism Administration
by the
US Travel Data Center

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The US Travel Data Center is the national, non-profit center for travel and tourism research. Since its establishment in 1973, the Data Center has devoted itself to advancing the common interest of the travel industry and the public it serves by encouraging, sponsoring and conducting statistical, economic and scientific research concerning travel, the travel industry and travel-related industries. In pursuit of this objective, the Data Center gathers, analyzes, publishes and disseminates the results of the such research, and cooperates with all government agencies, private industry and academic institutions with similar purposes and objectives. The Data Center is an affiliate of the Travel Industry Association of America (TIA), the national, non-profit association representing all components of the United States travel industry, the third largest retail industry in the nation. The Data Center is located at Two Lafayette Centre, 1133 21st Street, N.W., Washington, D.C. 20036.

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1988 US Travel Data Center

EXECUTIVE SUMMARY

- 25.4 million foreign visitors during 1985 and 25.5 million foreign visitors in 1986 spent an average annual total of $15.4 billion in the United States during 1985-86.

- These visitors spent more on incidentals than any other of the six expenditure categories.

- Nearly one-third of all foreign visitor spending for 1985-86 occurred in the Pacific division as defined by the Census Bureau.

- Foreign visitors spent more than $2.1 billion in each of Florida and California, far more than in any other state.

- Foreign visitor spending in the top five states accounted for two-thirds of all such spending in the U.S. in 1985-86.

- These expenditures directly generated an average annual total of $3.5 billion in payroll income for 318 thousand jobs during 1985-86.

- Foreign visitor spending also generated $1.8 billion in federal, state and local tax revenue, with more than one-third of this going to the federal government.

- On the average, every dollar of foreign visitor spending in 1985-86 directly generated 23 cents in payroll income and 11.5 cents in federal, state and local tax revenue.

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PREFACE

This study was conducted by the US Travel Data Center for the U.S. Travel and Tourism Administration (USTTA), U. S. Department of Commerce, pursuant to purchase order number 43SATS703104.

This study provides objective estimates of foreign travel spending in individual states based upon large-scale surveys of foreign visitors.

However, the data presented in this report on foreign visitor expenditures in the United States vary from official estimates published by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce, due to the use herein of the USTTA inflight survey based upon which the estimates of spending by overseas visitors and Mexican air visitors are founded. It is likely the BEA will begin using the USTTA survey data to estimate foreign visitor spending for 1987.

Special thanks are due to Harvey Shields, Acting Director of Research for USTTA, for his assistance and cooperation; and to the International Travel Section of Statistics Canada for providing an essential portion of the base data used in this study.

US Travel Data Center
Washington, DC
Summer, 1988

INTRODUCTION

In 1985, 25.4 million foreign residents traveled to the U.S. and in 1986 foreign visitor volume was 25.5 million. It is estimated that these visitors spent an average annual total of $15.4 billion while in the United States and its territories during the 1985-86 period.

As in any survey, the sample size of some of the subgroups to be analyzed were quite small. To improve the reliability of the results of this study, data for 1985 and 1986 were combined to produce the annual average estimates contained in this report.

This report presents estimates of foreign visitor spending by state, by Census Division, by purpose of visit, and by individual expenditure categories. Estimates are also provided of the wage and salary (payroll) income, employment, and federal, state and local tax revenue directly generated by this spending.

The expenditure estimates presented here were derived from three separate sources covering the 1985-86 period. The major source was the U.S. Travel and Tourism Administration's (USTTA's) Survey of International Air Travelers (see Appendix A for more detail). Administered to samples of non-U.S. citizens on board flights departing the United States for foreign destinations except Canada, this method gathered expenditure data representing 10 million air visitors for 1985 and 11.3 million air visitors for 1986 from Mexico and overseas countries. Appendix B provides information on the methodology of this survey.

Data on the number and expenditures by state visited of the 10.9 million Canadian visitors spending one or more nights in the U.S. during 1985 and 10.9 million Canadian visitors in 1986 were provided by Statistics Canada, the agency of the Canadian government responsible for data collection.

Estimates of the number and expenditures of Mexican citizens visiting the U.S. border areas by land were provided by the Bureau of Economic Analysis, U.S. Department of Commerce. These visitors are estimated to have totaled 4.4 million in 1985 and 3.3 million in 1986.

The expenditures by foreign residents traveling in this country were estimated by state and by major expenditure category based upon these three sources. The expenditure estimates were then passed through the Data Center's Travel Economic Impact Model to produce estimates of the payroll income, employment and tax revenue directly generated by these expenditures.

This model was originally developed for the U.S. Department of the Interior and has been used annually since 1977 to develop estimates of domestic travel spending and its impact on payroll income, employment and tax revenue by state. Further detail on the model is provided in Appendix C.

This report first presents average annual estimates of foreign visitor spending in the U.S. during 1985-86 tabulated by trip purpose, division visited, visitor country of residence, and major expenditure category. Estimates of total foreign visitor spending are also provided for all states. Additional in-flight survey detail on expenditure categories for those states meeting minimum standards of statistical reliability are provided in Appendix D.

Estimates of the direct economic impact of these expenditures are also provided for each state. These include the employment, payroll income, and federal, state and local tax revenue generated by foreign visitor spending in each state.

FOREIGN VISITOR EXPENDITURES IN THE UNITED STATES

Trips by foreign residents to the United States totaled 25.4 million during 1985 and 25.5 million during 1986. These include Canadians spending one or more nights in the U.S., all Mexican visitors by air and Mexican land visitors spending more than one day, and all trips by overseas citizens (i.e., foreign except Canada and Mexico) to the United States. All visits of more than 365 days were excluded from this report.

Foreign Visitor Expenditures by Expenditure Category

Table 1 shows all foreign visitor expenditures by country or area of visitor residence broken down for major expenditure categories. Overall, foreign residents spent an average annual total of $15.4 billion while traveling in this country during the 1985-86 period. Table 2 shows the percentage distribution of these expenditures by expenditure category.

Table 2: Distribution of All Foreign Visitor Expenditures in the U.S. by Category, 1985-86 (Annual Average)

Expenditure category	Expenditures ($ millions)	Percent distribution
Public transportation	$ 1,517	9.8%
Auto transportation	702	4.5
Lodging	4,151	26.9
Food	3,226	20.9
Entertainment	1,441	9.3
Incidentals	4,397	28.5
Total	$15,434	100.0%

Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

Table 1: All Foreign Visitor Expenditures by Visitor Residence, by Category
1985-86 (Annual Average) ($ millions)

Visitor Residence	Public Trans.	Auto Trans.	Lodging	Food	Enter-tainment	Inci-dentals	Total
Canada	$126.3	$304.5	$686.9	$673.0	$276.9	$368.8	$2,436.3
Mexico-Land	0.0	108.8	139.9	295.3	108.8	901.3	1,554.1
Mexico-Air	44.2	30.0	155.0	129.5	45.3	184.3	588.2
United Kingdom	131.9	35.2	315.3	217.2	92.0	156.1	947.6
West Germany	118.0	23.9	231.7	207.6	50.5	134.8	766.3
France	61.4	11.2	141.8	90.5	32.6	63.9	401.2
Italy	51.6	9.9	150.6	90.5	29.3	81.1	412.8
Netherlands	21.8	5.2	51.7	44.2	12.1	33.3	168.2
Switzerland	28.2	7.9	67.2	46.5	18.7	38.5	206.8
Other Europe	139.9	20.6	302.7	197.0	85.8	195.4	941.2
Brazil	50.4	6.6	120.8	70.9	29.7	96.3	374.7
Venezuela	26.5	9.3	54.8	46.9	20.1	86.8	244.2
Other S. America	93.9	23.0	241.8	149.2	75.4	271.1	854.3
Central America	28.8	16.0	79.8	71.8	34.8	143.4	374.4
Caribbean	68.8	11.8	143.3	90.4	41.8	177.7	533.7
Africa	23.5	2.0	53.5	38.1	22.9	64.3	204.0
Japan	218.9	30.2	662.7	395.0	262.2	827.4	2,396.5
Other Far East	131.3	16.9	241.1	155.3	86.3	254.0	884.7
Australia	55.0	5.3	137.8	78.3	41.4	69.8	387.4
Other Oceania	13.8	1.4	30.8	24.8	12.0	40.9	123.5
Middle East	83.4	22.8	143.1	114.9	62.9	207.9	634.8
Total	$1,517.1	$701.9	$4,151.4	$3,226.2	$1,441.1	$4,396.6	$15,434.4

Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

Foreign visitors spent more on incidentals while in the United States than on any other single category. Expenditures on lodging garnered the second largest share of visitor spending with close to 27 percent in 1985-86, nearly as much as incidentals. Public transportation and entertainment each constituted less than ten percent of the total, while automobile transportation comprised the smallest share of expenditures, less than 5 percent.

The distribution of expenditures among categories varied according to the nationality of the visitor. For example, Canadians spent more on lodging than any other single category, while Mexican visitors spent more than half of their total on gifts, souvenirs and other miscellaneous goods and services not classified as food, lodging, entertainment or transportation.

Table 3 shows all foreign visitor expenditures in individual U.S. Divisions by country or area of residence. The divisions shown here are defined by the U.S. Bureau of the Census and are employed extensively in economic data presentations.

The USTTA international air traveler survey permitted tabulation of visitor estimates by trip purpose, while the other data sources did not. Table 4 shows these estimates by country or area of visitor residence.

Table 5 summarizes the overall estimates by trip purpose. "Personal" groups together the individual questionnaire categories of "vacation/holiday," "visit friends" and "visit relatives."

Table 5: Distribution of Foreign Visitor Survey Expenditures by Trip Purpose, 1985-86* (Annual Average)

Trip purpose	Expenditures ($ millions)	Percent distribution
Business/convention	$ 4,407	38.5%
Business/convention/ personal	1,429	12.5
Personal	4,603	40.2
Study/formal schooling	781	6.8
Other	191	1.7
Not reported	33	0.3
Total	$11,443	100.0%

* does not include expenditures by Canadian and Mexico land visitors

Note: Details may not add to totals due to rounding.

Source: US Travel Data Center

Table 3: All Foreign Visitor Expenditures by Visitor Residence, by Census Division Visited
1985-86 (Annual Average) ($ millions)

Country	New England	Middle Atlantic	South East	East N. Central	West N. Central	West S. Central	Mountain	Pacific	Territories	Total
Canada	$212.2	$297.6	$845.2	$142.6	$74.7	$ 62.5	$251.2	$550.6	$ 0.0	$2,436.3
Mexico-Land	0.0	0.0	0.0	0.0	0.0	854.8	202.1	497.3	0.0	1,554.1
Mexico-Air	8.5	58.2	56.2	45.2	10.6	171.2	48.0	179.0	11.1	588.2
United Kingdom	73.7	143.0	278.4	68.5	24.5	67.6	68.8	222.5	0.9	947.6
West Germany	52.3	122.8	139.0	100.1	12.9	56.6	49.6	214.4	18.7	766.3
France	19.3	89.3	79.3	36.9	11.6	44.8	25.9	92.0	2.1	401.2
Italy	20.6	134.2	56.6	34.2	16.2	19.8	22.4	105.4	3.7	412.8
Netherlands	15.6	47.0	37.4	22.5	5.1	12.6	4.7	23.4	0.0	168.2
Switzerland	7.8	54.2	51.1	13.8	3.8	7.0	9.0	58.9	1.4	206.8
Other Europe	62.2	199.2	205.4	81.9	32.1	54.0	48.9	252.5	4.9	941.2
Brazil	13.6	106.5	124.4	25.9	8.3	14.2	12.0	63.5	6.5	374.7
Venezuela	4.7	31.4	176.9	9.1	1.2	8.8	1.4	10.6	0.3	244.2
Other S. America	14.6	136.6	363.4	26.5	14.0	37.6	26.9	231.9	2.9	854.3
Central America	6.7	41.9	221.9	9.9	6.8	32.8	4.6	42.3	7.7	374.4
Caribbean	44.4	194.5	196.7	11.7	5.3	18.1	6.2	49.6	7.4	533.7
Africa	12.2	53.3	47.9	16.4	7.3	15.8	12.1	38.8	0.3	204.0
Japan	68.8	261.6	125.4	150.4	40.9	47.4	48.5	1,632.9	20.8	2,396.5
Other Far East	32.6	133.1	106.2	66.4	18.2	49.2	57.2	420.5	1.2	884.7
Australia	18.2	61.0	36.0	24.3	7.3	17.8	29.1	193.3	0.5	387.4
Other Oceania	4.6	12.9	12.0	2.7	2.4	6.3	6.3	76.6	0.0	123.5
Middle East	34.5	118.8	131.1	53.0	16.2	77.5	34.3	168.8	0.8	634.8
Total	$726.7	$2,296.7	$3,290.0	$941.3	$319.2	$1,675.9	$968.7	$5,124.5	$90.8	$15,434.4

Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

States comprising the Census Divisions:
NEW ENGLAND: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. MIDDLE ATLANTIC: New Jersey, New York, Pennsylvania. SOUTH EAST: Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia. EAST NORTH CENTRAL: Indiana, Illinois, Michigan, Ohio, Wisconsin. WEST NORTH CENTRAL: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. WEST SOUTH CENTRAL: Arkansas, Louisiana, Oklahoma, Texas. MOUNTAIN: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. PACIFIC: Alaska, California, Hawaii, Oregon, Washington. TERRITORIES: American Samoa, Guam, Northern Mariana Islands, Puerto Rico, Trust Territories, Virgin Islands.

Table 4: Foreign Visitor Survey Expenditures by Visitor Residence, by Trip Purpose
1985-86 (Annual Average) ($ millions) *

Region	Business/ Convention	Personal	Study	Bus/Conv & Personal	Other	Not Reported	Total
Mexico-Air	$194.0	$272.1	$ 47.1	$ 60.7	$ 6.5	$7.8	$588.2
United Kingdom	400.7	347.3	25.8	151.3	19.7	2.8	947.6
West Germany	412.2	192.5	65.6	85.4	6.9	3.8	766.3
France	202.6	107.6	33.5	54.7	3.0	0.0	401.2
Italy	236.6	87.8	50.3	36.0	2.2	0.0	412.8
Netherlands	70.0	53.5	21.2	12.7	10.9	0.0	168.2
Switzerland	84.5	62.3	22.4	36.5	1.2	0.0	206.8
Other Europe	369.3	292.8	109.4	156.5	12.5	0.8	941.2
Brazil	136.9	156.8	13.8	58.6	5.4	3.2	374.7
Venezuela	74.2	108.6	13.7	39.3	8.4	0.0	244.2
Other S. America	212.8	452.4	42.0	136.9	10.2	0.1	854.3
Central America	90.8	171.7	38.0	61.3	11.0	1.8	374.4
Carribbean	218.5	207.3	3.2	73.7	27.5	3.6	533.7
Africa	67.9	83.9	13.9	37.0	4.1	0.1	204.0
Japan	916.7	1,179.6	185.7	86.5	21.5	6.6	2,396.5
Other Far East	345.9	330.0	35.1	157.6	14.1	2.0	884.7
Australia	163.0	150.8	7.3	60.7	5.4	0.5	387.4
Other Oceania	30.2	70.7	5.3	14.6	2.5	0.2	123.5
Middle East	180.3	275.7	48.6	108.9	21.4	0.0	634.8
Total	$4,406.7	$4,602.8	$781.4	$1,428.5	$191.2	$33.0	$11,443.4

* does not include expenditures by Canadian or Mexico land visitors
Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

Expenditures on personal trips were greatest overall but varied by nationality of visitor. For example, more than 50 percent of expenditures by visitors from Other Oceania and Other South American were on personal trips. The percentage for Japanese visitors was nearly one-half, and less than one-half of the spending of visitors from all other divisions was generated on personal trips.

Foreign Visitor Expenditures by Division Visited

As indicated in Table 6, foreign visitors spent more in the Pacific division than in any other single division: one-third of the total. The South East ranks second with over 20 percent. The West North Central division and U.S. Territories garnered the least of all multi-state divisions with less than 3 percent of the total.

Table 6: Distribution of All Foreign Visitor Expenditures by U.S. Division Visited, 1985-86 (Annual Average)

U.S. Division	Expenditures ($ millions)	Percent distribution
New England	$ 727	4.7%
Middle Atlantic	2,297	14.9
South East	3,290	21.3
East N. Central	941	6.1
West N. Central	319	2.1
West S. Central	1,676	10.9
Mountain	969	6.3
Pacific	5,125	33.2
U.S. Territories	91	0.6
Total	$15,434	100.0%

Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

Of course, this regional distribution varies considerably by residence of visitor. For example, Canadians spent over one-third of their total in the South East division, while Mexican land visitors allocated the largest proportion of their total -- over one-half -- to the West South Central division. Japanese visitors spent over two-thirds of their expenditures in the Pacific division.

Table 7 shows average annual total foreign visitor expenditures by state for 1985-86.

The sampling variability of the estimates of Canadian and Mexican land visitor expenditures by state could not be estimated from the data at hand. However, the general order of magnitude of the relative sampling variabilities of the inflight survey estimates at the 95 percent confidence level is indicated by asterisks in the table. If a state has no asterisk, the relative sampling variability of the inflight survey estimate for the state is less than ten percent of the total. This means that we are 95 percent certain that the expenditure estimate drawn from this sample is within ten percent of the estimate shown in Appendix D.

State expenditure estimates with high relative inflight survey sampling variabilities should be viewed with caution. Other samples of the same size might produce a significantly different estimate of expenditures for such a state. See Appendix D for further information.

California and Florida appear as the top states for foreign visitor spending with $3.2 billion and $2.1 billion in foreign visitor expenditures, respectively. New York, Hawaii and Texas round out the top five states with $1.5 billion dollars or more in foreign visitor spending in 1985-86.

Table 7: Foreign Visitor Expenditures by State Visited, Rank, Percent Share, and Average per Visitor, 1985-86 (Annual Average)***

State	Expenditures ($ millions)	Share of U.S. total (percent)	Rank	Average spending per visitor
Alabama	$ 51.4*	0.3%	32	$500-699
Alaska	21.6**	0.1	45	$500-699
Arizona	335.9	2.2	9	$500-699
Arkansas	16.7**	0.1	47	$300-499
California	3,215.2	21.0	1	$500-699

Table 7: Foreign Visitor Expenditures by State Visited, Rank, Percent Share, and Average per Visitor, 1985-86 (Annual Average) Continued ***

State	Expenditures ($ millions)	Share of U.S. total (percent)	Rank	Average spending per visitor
Colorado	$ 132.6	0.9%	19	$500-699
Connecticut	91.7	0.6	24	$300-499
Delaware	22.3*	0.1	44	$700+
Florida	2,146.0	14.0	2	$500-699
Georgia	180.7	1.2	16	$500-699
Hawaii	1,504.2	9.8	4	$700+
Idaho	24.3*	0.2	43	$500-699
Illinois	392.4	2.6	7	$500-699
Indiana	64.8*	0.4	30	$700+
Iowa	24.7*	0.2	42	$500-699
Kansas	29.1*	0.2	39	$700+
Kentucky	35.8*	0.2	36	$500-699
Louisiana	138.3	0.9	18	$500-699
Maine	110.9*	0.7	22	$300-499
Maryland	77.3*	0.5	26	$300-499
Massachusetts	419.2	2.7	6	$500-699
Michigan	221.8	1.4	12	$500-699
Minnesota	142.4	0.9	17	$500-699
Mississippi	15.4**	0.1	49	$300-499
Missouri	58.7*	0.4	31	$300-499
Montana	39.8**	0.3	34	$700+
Nebraska	19.6*	0.1	46	$300-499
Nevada	323.7	2.1	10	$300-499
New Hampshire	28.9*	0.2	40	$300-499
New Jersey	216.0	1.4	13	$500-699
New Mexico	69.8*	0.5	29	$300-499
New York	1,883.2	12.3	3	$700+
North Carolina	117.4	0.8	21	$500-699
North Dakota	29.2**	0.2	38	$300-499
Ohio	184.0	1.2	15	$500-699
Oklahoma	35.0*	0.2	37	$500-699
Oregon	101.9	0.7	23	$300-499
Pennsylvania	189.9	1.2	14	$500-699
Rhode Island	25.8*	0.2	41	$300-499
South Carolina	90.7*	0.6	25	$300-499
South Dakota	15.5**	0.1	48	$300-499
Tennessee	71.5*	0.5	28	$500-699

Table 7: Foreign Visitor Expenditures by State Visited, Rank, Percent Share, and Average per Visitor, 1985-86 (Annual Average) Continued ***

State	Expenditures ($ millions)	Share of U.S. total (percent)	Rank	Average spending per visitor
Texas	$1,500.4	9.8%	5	$500-699
Utah	38.9*	0.3	35	$500-699
Vermont	50.5*	0.3	33	$300-499
Virginia	129.0	0.8	20	$500-699
Washington	257.5	1.7	11	$300-499
West Virginia	10.8**	0.1	50	$300-499
Wisconsin	73.3*	0.5	27	$300-499
Wyoming	8.4**	0.1	51	$500-699
Dist. of Columbia	361.7	2.4	8	$500-699
Total	$15,344.7	100.0%		$ 604

* relative sampling variability of inflight survey expenditure estimates is greater than ±10 percent but less than ±25 percent
** relative sampling variability of inflight survey expenditure estimates is ± 25 percent or more
*** does not include expenditures in U.S. Territories
Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

Foreign visitor spending in America is highly concentrated. The five states garnering 1.5 billion dollars or more accounted for two-thirds of all foreign visitor spending in the United States during 1985-86. No states earned foreign visitor receipts between $500 million and $1 billion, and only 17 states and the District of Columbia indicate more than $100 million but less than $1 billion.

Six states appear to have received less than $20 million in foreign visitor spending in 1985-86; Arkansas, Mississippi, Nebraska, South Dakota, West Virginia and Wyoming.

Table 7 also shows the general magnitude of average foreign visitor spending for each state visited. These averages reflect travel party size, mode of transportation, accommodations used and length of stay in each state.

Precise estimates are not provided here because the relative sampling variabilities of average spending per visitor in each state could not be calculated from the data available but are probably quite high for most states.

Table 8 presents estimates of foreign visitor expenditures in each of the eight Census Divisions of the U.S. by expenditure category. Visitors indicate different spending patterns according to the divisions they visit. For example, public transportation accounted for 12 percent of all expenditures in the East North Central division, but only 6 percent of those in the West South Central division.

Lodging comprised over 30 percent of foreign visitor expenditures in the Middle Atlantic and East North Central divisions but only 19 percent in the West South Central area. This probably reflects different length of stay patterns as well as lodging choices. Expenditures in the West South Central division were dominated by incidental purchases: 42 percent of the total.

Table 9 summarizes foreign visitor expenditures in each division by major area of origin. As should be expected, the expenditures divisions receive from different areas of the world vary. For example, nearly 30 percent of all foreign visitor expenditures in New England in 1985-86 come from Canada. The West South Central division garnered over 61 percent of its foreign visitor expenditures from Mexican residents, while almost 40 percent of all foreign visitor expenditures in the South East comes from "Other Overseas" areas, primarily South America and the Caribbean.

In terms of visitor allocation of expenditures among U.S. Divisions, Canadians spent one-third of their total in the South East. Mexican visitors, however, spent 48 percent of their total in the West South Central area. Europeans spread their expenditures fairly evenly among the Middle Atlantic, South East and Pacific divisions, spending about 25 percent of their total in each. Finally, Far East visitors to the United States allocated 63 percent of their expenditures to the Pacific division.

Table 10 distributes the expenditures estimated for overseas and Mexican air visitors from the international air traveler survey among trip purposes and Census Divisions visited.

Table 8: All Foreign Visitor Expenditures by Census Division Visited, by Category
1985-86 (Annual Average) ($ millions)

Census Division	Public Trans.	Auto Trans.	Lodging	Food	Entertainment	Incidentals	Total
New England	$ 86.4	$ 38.8	$ 213.0	$ 163.7	$ 61.0	$ 163.9	$ 726.7
Middle Atlantic	272.7	62.8	704.2	483.1	203.2	570.8	2,296.7
South East	333.7	195.6	899.9	726.7	315.8	818.3	3,290.0
East N. Central	117.6	32.2	297.1	207.9	70.9	215.7	941.3
West N. Central	38.2	15.5	92.7	67.4	25.5	79.8	319.2
West S. Central	94.8	91.2	325.5	336.6	125.1	702.7	1,675.9
Mountain	98.0	56.3	228.9	207.3	95.1	283.2	968.7
Pacific	469.4	207.5	1,362.2	1,014.6	533.0	1,537.9	5,124.5
Territories	6.8	1.3	29.4	18.5	11.8	23.1	90.8
Total	$1,517.1	$701.9	$4,151.4	$3,226.2	$1,441.1	$4,396.6	$15,434.4

Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

States comprising the Census Divisions:
NEW ENGLAND: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. MIDDLE ATLANTIC: New Jersey, New York, Pennsylvania. SOUTH EAST: Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia. EAST NORTH CENTRAL: Indiana, Illinois, Michigan, Ohio, Wisconsin. WEST NORTH CENTRAL: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. WEST SOUTH CENTRAL: Arkansas, Louisiana, Oklahoma, Texas. MOUNTAIN: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. PACIFIC: Alaska, California, Hawaii, Oregon, Washington. TERRITORIES: American Samoa, Guam, Northern Mariana Islands, Puerto Rico, Trust Territories, Virgin Islands.

Table 9: Foreign Visitor Expenditures by Census Division Visited, by Visitor Residence, 1985-86 (Annual Average) ($ millions)

Census Division	Canada	Mexico	Europe	Far East	Other Overseas	Total
New England	$ 212.2	$ 8.5	$ 251.5	$ 101.4	$ 153.3	$ 726.7
Middle Atlantic	297.6	58.2	789.6	394.7	756.8	2,296.7
South East	845.2	56.2	847.0	231.6	1,310.1	3,290.0
East N. Central	142.6	45.2	357.6	216.7	179.3	941.3
West N. Central	74.7	10.6	106.2	59.1	68.7	319.2
West S. Central	62.5	1,026.0	262.3	96.6	228.7	1,675.9
Mountain	251.2	250.1	229.1	105.7	132.8	968.7
Pacific	550.6	676.3	969.0	2,053.4	875.2	5,124.5
Territories	0.0	11.1	31.5	22.0	26.2	90.8
TOTAL	$2,436.3	$2,142.1	$3,844.0	$3,281.0	$3,730.9	$15,434.4

Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

States comprising the Census Divisions:
NEW ENGLAND: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. MIDDLE ATLANTIC: New Jersey, New York, Pennsylvania. SOUTH EAST: Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia. EAST NORTH CENTRAL: Indiana, Illinois, Michigan, Ohio, Wisconsin. WEST NORTH CENTRAL: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. WEST SOUTH CENTRAL: Arkansas, Louisiana, Oklahoma, Texas. MOUNTAIN: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. PACIFIC: Alaska, California, Hawaii, Oregon, Washington. TERRITORIES: American Samoa, Guam, Northern Mariana Islands, Puerto Rico, Trust Territories, Virgin Islands.

Table 10: Foreign Visitor Survey Expenditures by Census Division Visited, by Trip Purpose 1985-86 (Annual Average) ($ millions) *

Census Division	Business/ Convention	Personal	Study	Bus/Conv & Personal	Other	Not Reported	Total
New England	$ 243.6	$ 122.7	$ 62.7	$ 68.7	$12.2	$ 4.7	$ 514.5
Middle Atlantic	942.9	628.3	114.3	263.9	36.8	6.8	1,993.1
South East	852.9	1,053.2	151.2	334.7	47.3	4.7	2,444.0
East N. Central	456.9	136.3	69.3	115.8	17.7	1.0	796.9
West N. Central	132.6	51.2	29.2	24.4	6.4	0.8	244.6
West S. Central	350.3	245.0	45.3	105.3	18.2	1.9	765.8
Mountain	200.9	204.3	31.8	74.5	7.1	0.1	518.7
Pacific	1,202.6	2,102.5	276.7	434.9	45.6	12.6	4,074.8
Territories	23.8	59.3	0.9	6.4	0.1	0.4	90.7
Total	$4,406.7	$4,602.8	$781.4	$1,428.5	$191.2	$33.0	$11,443.4

* does not include expenditures by Canadian or Mexico land visitors
Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

States comprising the Census Divisions:
NEW ENGLAND: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. MIDDLE ATLANTIC: New Jersey, New York, Pennsylvania. SOUTH EAST: Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia. EAST NORTH CENTRAL: Indiana, Illinois, Michigan, Ohio, Wisconsin. WEST NORTH CENTRAL: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. WEST SOUTH CENTRAL: Arkansas, Louisiana, Oklahoma, Texas. MOUNTAIN: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. PACIFIC: Alaska, California, Hawaii, Oregon, Washington. TERRITORIES: American Samoa, Guam, Northern Mariana Islands, Puerto Rico, Trust Territories, Virgin Islands.

Trips for business or to attend a convention generated over 57 percent of the foreign visitor expenditures in the East North Central division, but less than 30 percent of those in the Pacific division. Personal travel, on the other hand, accounted for the greatest expenditure shares in the U.S. Territories and the Pacific area: 65 and 52 percent of the divisions' totals, respectively. This travel was much less important to the East North Central division, where it comprised less than 20 percent of the total.

Combined business/convention/personal trips showed the greatest proportion of total foreign visitor spending in the East North Central: nearly 15 percent. Visitors here for study or formal schooling accounted for 12 percent of the New England divisional visitor spending, a greater share than any other area.

Business/convention visitor spending was spread fairly evenly over the divisions, with 68 percent of the total in the Middle Atlantic, South East and Pacific areas combined. Personal visitor spending was more concentrated, with more than 45 percent in the Pacific division alone and nearly 23 percent in the South East.

Spending on combined business/convention/personal trips was centered in the Pacific division, which garnered 30 percent of the total. Almost one-quarter of the spending of visitors here for study or formal schooling appeared in the South East.

In summary, the distribution of foreign visitor spending among U.S. Divisions visited by items purchased, residence of the visitors, and trip purpose varied widely in 1985-86. This indicates that divisional travel choices are heavily affected by nationality, transport mode, type of accommodation, length of stay and other trip characteristics. It is clear that the national distribution of these expenditures is a poor guide to divisional patterns.

Ten percent of the states garnered two-thirds of foreign visitor spending in 1985-86. The top five states are on the borders of the nation and serve as major gateways for foreign visitor entry. Relatively few foreign visitor dollars contribute to the economies of our interior divisions.

This suggests that while many foreign residents are favorably disposed to visiting major gateway states, few spend much time elsewhere in America. This would appear to be the major marketing challenge for destinations located far from our borders: to convince foreign visitors to the U.S. to visit interior divisions and spend more time there.

ECONOMIC IMPACT OF FOREIGN VISITOR EXPENDITURES IN THE U.S.

Foreign visitors traveling in the U.S. during 1985-86 purchased goods and services from retail and service establishments located in every state in the nation. These establishments in turn employed and paid workers to produce and deliver these goods and services.

The Data Center employed its Travel Economic Impact Model to develop estimates of payroll income, employment and tax revenue generated by visitor expenditures in 1985-86. These estimates are discussed below.

Payroll Income Generated by Foreign Visitor Expenditures

The $15.4 billion spent by foreign visitors in identified states generated over $3.5 billion in payroll or wage and salary income for United States residents during 1985-86. On the average, every dollar of foreign visitor expenditure generated about 23 cents in payroll income.

Table 11 shows the distribution of this income by Census Division and by major industry sector.

Table 11: Payroll Income Generated by Foreign Visitor Expenditures in the U.S., by Census Division, by Industry Sector, 1985-86 (Annual Average) ($ millions)

Census Division	Transportation	Lodging	Food-service	Entertainment	General retail trade	Total
New England	$ 42.5	$ 58.7	$ 38.3	$ 14.6	$ 18.0	$ 172.0
Middle Atlantic	115.6	203.1	114.0	42.4	67.3	542.4
South East	160.7	260.1	174.4	82.1	105.0	782.2
East N. Central	54.4	87.9	47.9	19.0	26.6	235.8
West N. Central	14.5	26.8	16.0	5.9	9.4	72.5
West S. Central	43.9	92.0	81.8	27.3	88.8	333.7
Mountain	40.7	72.4	51.3	24.1	37.2	225.6
Pacific	192.5	393.8	245.0	144.2	187.6	1,163.1
Total	$664.6	$1,194.7	$768.6	$359.4	$539.9	$3,527.1

Note: Details may not add to totals due to rounding.
Source: US Travel Data Center
For states comprising Census Divisions, see Table 10.

The lodging sector captured over one-third of all visitor-generated payroll income in 1985-86, while foodservice took about 22 percent. The three remaining sectors split the generated income fairly evenly with less than 20 percent each.

The distribution of this income among sectors differed markedly by division. For example, only 13 percent of the total visitor-generated payroll in the West South Central division was in transportation, while nearly 27 percent was in general retail trade. On the other hand, in the East North Central division 23 percent of payroll was in the transportation sector, while only 11 percent was in general retail trade.

In terms of division shares, the Pacific showed by far more visitor-generated payroll income than any other division, with nearly one-third of the total. The South East was second with somewhat more than 20 percent, while the Middle Atlantic showed about 15 percent.

Again, the divisional shares of the totals differed by industry sector. For example, the West South Central division showed less than seven percent of total visitor-generated payroll in transportation but over 16 percent of the general retail trade total.

Table 12 presents estimates of payroll income, employment and tax revenue generated by foreign visitor spending in 1985-86 for each individual state. The reader is cautioned that the relative sampling error for expenditure estimates varies widely by state and that the information in Appendix D suggests how reliable the expenditure and other impact estimates are for each state.

Table 12: Measures of the Economic Impact of Foreign Visitors in the United States by State Visited, 1985-86 *
(Annual Average)

	Expenditures ($ millions)	Payroll ($ millions)	Employment (jobs)	Tax revenue ($ millions)
Alabama	$ 51.4	$ 11.9	1,400	$ 6
Alaska	21.6	5.5	400	2
Arizona	335.9	69.4	7,100	34
Arkansas	16.7	3.9	500	2
California	3,215.2	730.7	59,700	363
Colorado	132.6	30.9	3,000	16
Connecticut	91.7	26.9	2,100	15
Delaware	22.3	8.2	1,500	4
Florida	2,146.0	482.9	45,600	222
Georgia	180.7	42.4	4,100	18

Table 12: Measures of the Economic Impact of Foreign Visitors in the United States by State Visited, 1985-86 (Annual Average) Continued *

	Expenditures ($ millions)	Payroll ($ millions)	Employment (jobs)	Tax revenue ($ millions)
Hawaii	$ 1,504.2	$ 343.1	28,600	$ 159
Idaho	24.3	5.2	700	3
Illinois	392.4	104.0	9,200	53
Indiana	64.8	19.2	1,900	9
Iowa	24.7	5.6	800	3
Kansas	29.1	7.0	900	3
Kentucky	35.8	8.2	900	4
Louisiana	138.3	33.2	3,300	16
Maine	110.9	22.7	2,700	10
Maryland	77.3	17.0	1,600	11
Massachusetts	419.2	97.5	8,500	51
Michigan	221.8	53.6	5,800	28
Minnesota	142.4	31.8	3,500	19
Mississippi	15.4	3.3	400	2
Missouri	58.7	14.5	1,500	8
Montana	39.8	9.3	1,300	3
Nebraska	19.6	4.2	500	3
Nevada	323.7	87.0	6,900	31
New Hampshire	28.9	7.0	800	3
New Jersey	216.0	49.8	3,700	28
New Mexico	69.8	12.9	1,500	8
New York	1,883.2	446.4	33,500	281
North Carolina	117.4	26.2	2,900	11
North Dakota	29.2	6.2	1,000	3
Ohio	184.0	42.8	4,600	24
Oklahoma	35.0	7.9	900	4
Oregon	101.9	23.1	2,500	9
Pennsylvania	189.9	46.3	4,700	23
Rhode Island	25.8	6.2	600	3
South Carolina	90.7	19.9	2,300	9
South Dakota	15.5	3.0	500	2
Tennessee	71.5	16.1	1,600	9
Texas	1,500.4	288.7	27,800	149
Utah	38.9	9.1	1,000	5
Vermont	50.5	11.7	1,300	6
Virginia	129.0	29.1	3,200	12
Washington	257.5	60.9	6,200	32
West Virginia	10.8	2.7	300	1

Table 12: Measures of the Economic Impact of Foreign Visitors in the United States by State Visited, 1985-86 (Annual Average) Continued *

	Expenditures ($ millions)	Payroll ($ millions)	Employment (jobs)	Tax revenue ($ millions)
Wisconsin	$ 73.3	$ 16.5	2,100	$ 8
Wyoming	8.4	1.8	300	1
District of Columbia	361.7	114.7	12,200	65
Total	$15,344.7	$3,527.1	319,000	$1,776

* does not include expenditures in U.S. Territories
Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

Overall, six states and the District of Columbia have estimated visitor-generated payroll in excess of $100 million for 1985-86. Twenty-seven fell between $10 million and $100 million, and eighteen fell below $10 million in visitor-generated payroll. This payroll averaged $69.2 million per state.

Employment Generated by Foreign Visitor Expenditures

One of the most important benefits of foreign visitor spending is the employment it supports. Foreign visitor spending identified by state generated an average annual total of 318 thousand jobs in the U.S. during 1985-86. On the average, each $48,000 in visitor spending directly supported one job. These jobs paid an average of $11,000 payroll income.

Table 12 provides the visitor-generated employment estimates for the states. Foreign visitor-generated employment averaged 6,200 jobs in each state and the District of Columbia during 1985-86.

Five states and the District of Columbia indicate more than ten thousand jobs directly attributable to foreign visitor spending. Those five states are; California, Florida, Hawaii, New York, and Texas. An additional thirty-one states fall between ten thousand and one thousand, while 17 show fewer than one thousand such jobs annually for 1985-86.

Table 13 shows the estimated number of jobs for each of the Census Divisions by major industry sector. Over one-third of these jobs were in the lodging industry, including both the hotel/motel sector and campgrounds. Nearly one-third were in

sector accounted for about 14 percent, while less than 10 percent appeared for transportation and the entertainment sector.

These sector shares differ by division. For example, seven percent of the visitor-generated employment in the West South Central division was in transportation, but 23 percent was in general retail trade. This latter sector accounted for less than 12 percent of the visitor-generated jobs in the West North Central division, while about one-third of this division's visitor employment was in the foodservice sector.

Table 13: Employment Generated by Foreign Visitor Expenditures in the U.S. by Census Division, by Industry Sector, 1985-86 (Annual Average) (thousands)

Census Division	Transportation	Lodging	Foodservice	Entertainment	General retail trade	Total
New England	2.2	5.7	5.3	1.4	1.7	16.2
Middle Atlantic	4.7	15.1	14.0	2.8	5.4	41.0
South East	7.9	30.3	24.0	6.5	9.1	77.7
East N. Central	2.6	9.7	7.5	1.8	2.3	23.8
West N. Central	0.5	3.6	2.9	0.7	1.0	8.6
West S. Central	2.2	9.6	11.0	2.4	7.4	32.4
Mountain	2.0	6.7	7.7	2.0	3.2	21.6
Pacific	8.3	32.9	31.5	10.4	14.5	97.5
Total	30.2	113.4	103.7	27.7	44.5	318.8

Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

Looking at the distribution of visitor-generated employment among the divisions the Pacific garnered almost one-third of all of these jobs, followed by the South East with about one-quarter. At the other end of the spectrum, the West North Central division indicated only three percent of these jobs.

The divisions indicate different shares of the visitor-generated employment by industry sector. The West South Central division, for example, accounts for more than 16 percent of all visitor-generated general retail trade employment, but shows less than eight percent of U.S. employment generated in transportation. The Pacific division, on the other hand, indicates that approximately 33 percent of general retail trade jobs and 38 percent of entertainment employment are generated by foreign-visitor spending in the United States.

Tax Revenue Generated by Foreign Visitor Expenditures

Foreign visitor expenditures and the payroll income they generate produce tax revenue for federal, state and local governments in the United States. During the 1985-86 period, foreign visitor expenditures generated an average annual total of $812 million in federal tax revenue, $639 million in state tax revenue, and $323 million for local tax coffers.

Table 14 shows the distribution of this tax revenue by Census Division visited and by level of government.

Table 14: Tax Revenue Generated by Foreign Visitor Expenditures in the U.S., by Census Division, by Level of Government, 1985-86 (Annual Average) ($ millions)

Census Division	Federal	State	Local	Total
New England	$ 42	$ 37	$ 8	$ 86
Middle Atlantic	155	103	74	332
South East	171	130	68	368
East N. Central	64	41	17	122
West N. Central	18	16	4	37
West S. Central	80	64	27	170
Mountain	47	38	13	98
Pacific	237	212	114	563
Total	$ 812	$ 639	$ 323	$ 1,776

Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

Federal tax revenue, primarily the airline ticket tax and individual income tax payments by U.S. residents earning income from foreign visitor expenditures, accounted for almost one-half the tax revenue generated. State government garnered over one-third, and local government revenue is estimated at 18 percent of the total.

These shares differ among the divisions, reflecting differing expenditure patterns and tax structures. In the East North Central division, for example, the federal share was 53 percent while the state share was only 34 percent.

In New England, the state share stood at 43 percent while the local was less than 10 percent. On the other hand, in the Middle Atlantic, the local share approached one-quarter of the total visitor-generated tax revenue.

Among divisions, the Pacific area garnered the largest share of the total tax take of all levels of government: nearly 32 percent. The South East was second with 21 percent, while the Middle Atlantic showed 19 percent of total visitor-generated tax revenue in 1985-86. Federal tax revenue overshadowed the state and local visitor-generated tax sources in all divisions.

On the average, every dollar spent here by foreign visitors in 1985-86 generated 11.5 cents in tax revenue: 5.3 cents for the federal government, 4.2 cents for state governments, and 2.1 cents for local governments. The rate of revenue generation varied among the divisions.

In summary, visitor expenditures on lodging and incidentals sold by general retail trade establishments dominated foreign visitor spending in the U.S. during 1985-86. However, expenditures in the latter sector produced relatively little payroll income, but one-third of the visitor-generated payroll occurred in lodging. In the distribution of foreign-visitor generated employment, lodging and food service each accounted for about one-quarter of the total.

In terms of the Census Divisions, the Pacific area dominated the distribution of foreign visitor expenditures, and the payroll income, employment and tax revenue generated by this spending in 1985-86. In each case, the Pacific division garnered about one-third of the total. The South East followed with the second largest share of each magnitude, about one-quarter of the totals.

At the other end of the scale, the West North Central division garnered the smallest share of foreign visitor expenditures in 1985-86, and the smallest shares of economic impact generated as well.

APPENDICES

APPENDIX A

FOREIGN VISITOR EXPENDITURE ESTIMATION METHODOLOGY

METHODOLOGY FOR ESTIMATING FOREIGN VISITOR EXPENDITURES BY STATE

Three different approaches were employed to estimate the expenditures in each state by visitors from (1) overseas countries and Mexico by air, (2) Canada, and (3) Mexico by land.

Estimation of Overseas and Mexican Air Visitor Expenditures

The first approach used the data gathered by the U.S. Travel and Tourism Administration's (USTTA) 1985 and 1986 Surveys of International Air Travelers. Respondent records were extracted from the overall data base by CIC Research, Inc. of San Diego, CA, providing the following information for each respondent:

1. serial number
2. cluster number
3. final weight
4. states visited (up to 6)
5. number of nights spent in each state
6. type of lodging used in each state (4 types)
7. travel party size
8. whether or not a package tour was purchased
9. expenditures on package tour
10. expenditures in U.S. by category (six categories)
11. total expenditures in U.S.
12. trip purpose (7 purposes)
13. country of residence
14. means of transportation in U.S. (8 means)

In order to reflect the expenditures of foreign visitors to the U.S. and exclude those of foreign citizens residing in this country, it was decided to define a "foreign visitor" as those respondents with length of stays less than 365 nights.

All respondents who did not report any expenditures and those who reported expenditures but did not list any states visited were found ineligible for tabulation of state expenditures. Respondents failing to list a country of residence were also ineligible.

Distribution of Expenditures Among Categories

Respondents provided expenditure information on the following categories:

1. transportation inside U.S.
2. lodging
3. food and beverages
4. gifts, souvenirs and other purchases
5. entertainment and recreation
6. other spending in U.S.
7. inclusive or package tour

Items 4 and 6 were combined to represent spending on incidental retail purchases.

Respondents also indicated which of the following transport modes and types of lodging they used while here:

Transportation	Lodging
1. airlines in U.S.	1. hotel/motel
2. intercity railroad	2. private home
3. intercity bus	3. Campsite
4. rented auto	4. Other
5. private auto	
6. other	
7. taxi/cab	
8. recreational vehicles	

The following conventions were used to allocate transportation expenditures and lodging expenditures to the appropriate category:

A. Transportation

1. If airline, railroad, bus, city bus or subway, or taxicab was indicated, then all transportation expenditures were allocated to the "public transportation" category.

2. If only modes indicated were private auto or rented auto, or recreational vehicles, then all transportation expenditures were allocated to "auto transportation."

3. If no transport mode was indicated, then all transportation expenditures were allocated to "auto transportation."

B. Lodging

1. If hotel/motel lodging was indicated for any state, then all lodging expenditures were allocated to "hotel/motel lodging."

2. If no hotel/motel lodging indicated, or no lodging indicated at all, then all lodging expenditures were allocated to "other lodging."

3. If no nights listed, but expenditures for lodging given, then allocated evenly among the states visited.

These procedures yielded expenditure estimates by state for the following categories:

1. public transportation
2. auto transportation
3. hotel/motel lodging
4. other lodging
5. food and beverages
6. entertainment and recreation
7. incidentals

The expenditures for package tours listed in the file were exclusive of international passenger fares. Based upon data provided by several of the USTTA foreign field offices obtained from foreign tour operators, package tour expenditures were allocated among the above expenditure categories as follows:

55% to hotel/motel lodging
15% to public transportation
10% to food and beverages
20% to entertainment and recreation

In some cases, the expenditures reported for individual categories did not sum to the total reported. If the sum was less than the total reported, the residual was allocated among expenditure categories based upon the average distribution of expenditures among categories reported by visitors from the same country. If the categories summed to more than the total reported, then the total was ignored.

Expenditure Distribution Among the States

The expenditures by category derived by the above procedures were distributed among states visited on the following bases to simulate where the transactions actually took place:

A. Transportation

1. Public transportation expenditures were distributed equally among the states visited.

2. Auto transportation expenditures were distributed among states visited pro rata according to nights spent in each.

B. Lodging

1. All lodging expenditures were distributed among states visited on a pro rata basis according to nights spent in each.

C. All others

1. Distributed among states visited on a pro rata basis according to nights spent in each.

Adjustment to National Totals

The expenditures reported by each respondent were multiplied by the final weight indicated in the record to expand up to population totals. Expenditures were then summed across all records for each of the following countries or divisions:

Mexico	United Kingdom	Japan
	W. Germany	Other Far East
Brazil	France	
Venezuela	Italy	Australia
Other South America	Netherlands	Other Ocenia
	Switzerland	
Central America	Other Europe	Caribbean
Africa	Middle East	

Estimates of total expenditures by visitors from each of these countries and divisions are obtained from USTTA. Differences that are found from the total for each country/division from the data tape and what is reported by USTTA, were adjusted. "National expansion factors" were computed as the ratio of the USTTA expenditures for a country or division of visitors to the sum derived from the Data Center's procedures. These factors were then applied to each record according to the origin of the visitor indicated.

Estimation of Canadian Visitor Expenditures

Estimates were obtained from USTTA on Canadian visitor expenditures in each state. Expenditures by state were used from Statistics Canada data. Expenditures were broken down by category in each state, using the 1985 and 1986 national distribution from the Canadian Travel Survey. These distributions are as follows:

1985	1986	
4.85%	5.5%	to public transportation
12.60%	12.4%	to auto transportation
27.55%	28.8%	to hotel/motel lodging
27.65%	27.6%	to food and beverages
11.75%	11.0%	for entertainment and recreation
15.60%	14.7%	to incidentals

Estimation of Mexican Land Visitor Expenditures

The only data available on the category and state distribution of Mexican visitors by ground transportation are from a 1979 border crossing survey sponsored by USTTA.[1] This survey indicated the following allocation of these expenditures among categories:

7% to auto transportation
9% to hotel/motel lodging
19% to food and beverages
7% to entertainment and recreation
58% to incidentals

The survey also indicated the following distribution of Mexican land visitor expenditures among the border states:

10% to Arizona
32% to California
3% to New Mexico
55% to Texas

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[1]U.S. Travel Service, Mexican Travel Beyond the United States Border Zone, Principal Findings, U.S. Department of Commerce, February, 1981, 65 pp.

APPENDIX B

METHODOLOGY OF THE SURVEY OF INTERNATIONAL AIR TRAVELERS

The following description of the design, methodology and conduct of the U.S. Travel and Tourism Administration's 1985 and 1986 Surveys of International Air Travelers is reproduced from the agency's publication, In-flight Survey, United States Travel and Tourism Administration Survey of International Air Travelers, Overseas and Mexican Visitors to the United States, Survey Period: October-December, 1985; October-December, 1986.

TECHNICAL INFORMATION

The questionnaire used in this survey is designed to meet the information requirements of a number of government sponsors, airlines, and other users of travel statistics, including:

- The U.S. Travel and Tourism Administration and the Bureau of Economic Analysis of the U.S. Department of Commerce.
- Participating airlines, both U.S. flag and foreign flag carriers.
- The National Park Service of the U.S. Department of the Interior.
- Private and government organizations (U.S. and foreign) concerned with tourism and its development.
- The U.S. Department of Transportation.

Geographic Structure of Survey

Overseas Regions and Countries. The world regions used in these statistical series are essentially the same ones developed for the U.S. International Air Travel Statistics (USIATS). The USIATS regions are widely used in the analysis of international air passenger traffic. The only difference between these regions and those of the USIATS involves Mexico and Egypt. In USTTA tables, Mexico is taken out of the Mid-America Region and treated in a separate series of statistical tables, and the remaining countries become the Central American Region. Egypt is included in the Middle East Region and not in Africa.

Participation in the Survey

Airline involvement is on a voluntary basis among airlines invited to participate. Factors influencing the selection of an airline for an invitation to participate in the survey included the airline's market share in the geographic area under consideration, the desirability of having both a U.S. and foreign flag carrier for each area, and the necessity of keeping costs to a minimum. A variety of factors influence an airline's decision to accept the invitation to participate. Still other factors influence the airline's successful completion of one or more flight kits. The number of airlines completing one or more flight kits in the four quarters of 1986 is shown below.

1985 Quarter	Number of Participating Airlines
First	31
Second	30
Third	29
Fourth	27
Average for above quarters	29

1986 Quarter	Number of Participating Airlines
First	27
Second	24
Third	24
Fourth	24
Average for above quarters	25

Once an airline has agreed to participate, the next step in the survey is to make sure that questionnaires are completed on the sample flights. The response rates for the flights kits in 1985 and 1986 are given.

1985 Quarter	Number Sent Out	Number Completed	Percent Completed
First	578	315	55%
Second	536	385	72
Third	568	396	70
Fourth	515	316	61
Total for 1985	2197	1412	64%

1986 Quarter	Number Sent Out	Number Completed	Percent Completed
First	481	273	57%
Second	454	271	60
Third	443	220	50
Fourth	364	186	51
Total for 1986	1742	950	55%

A flight kit is considered complete if one or more questionnaires for the sample or a substitute flight have been filled out. A number of factors lead to a flight kit not being completed, including:

- The kit is being delayed in transit to the airline.
- The kit is being delayed in the airline's own mail system.
- The kit is not being put on the airplane.
- The flight attendant is forgetting to distribute the questionnaires (or being too busy or unwilling to distribute them).
- The completed kit is being lost in the U.S. mail.

Once the questionnaires reach the appropriate airplane, the success of the survey depends on how many questionnaires are actually completed. For flights on which surveys were conducted, the estimated response rates for adults for 1985 and 1986 are given below.

1985 Quarter	Non-U.S. Resident	U.S. Resident
First	34%	53%
Second	50	28
Third	50	29
Fourth	66	29
Average for above quarters	50%	35%

1986 Quarter	Non-U.S. Resident	U.S. Resident
First	50%	32%
Second	59	33
Third	51	29
Fourth	63	26
Average for above quarters	56%	30%

Factors affecting the response rate include:

- Language problems.

- Some passenger's not being given questionnaires, either because the flight attendants were too busy or because there were not enough questionnaires available for all passengers.

- The short length of some flights.

- The flight's occurring at night when passengers are sleeping.

Sample Design

The sample design is a stratified, two-stage sample where scheduled flights are randomly selected from strata defined by airline and foreign destination in the first stage. The selected flights are treated as clusters of travelers. The respondents on each flight constitute the second-stage sample. The development of the sample was influenced by the number of travelers to and from the United States by country of residence, area visited, and scheduled international air carrier. The design was also influenced by the desired accuracy and detail of the resulting estimates, the airlines' willingness to participate in the survey, the availability of a sample frame, and the costs of the survey.

Stratification is used to ensure that all participating airlines and residents of countries of interest appear in the sample. In the case of foreign flag carriers, stratification by airline alone is sufficient in most cases, since they tend to serve mainly residents of their native countries and U.S. residents on flights to the United States. U.S. carriers, serving several markets of interest, are stratified by carrier and foreign destination.

Flights are selected within each stratum by simple random sampling through the use of a random sampling through the use of a random number generator. Since a random sample of passengers on a flight would be difficult for the flight crews to implement, the second-stage sample includes all passengers on a given flight who respond to the survey.

The sample frame (list from which the sample is drawn) is the monthly Official Airline Guide list of scheduled flights departing the United States on the airlines participating in the survey. Although quarterly estimates are desired from the survey, sampling is performed monthly to distribute the sample over each quarter. Flights to be sampled are limited to those occurring during the week, beginning with the third Monday of the month.

Sampling flights one week out of the month simplified the operating procedures for the airlines and facilitates the processing of the survey materials.

The number of flights to be sampled from each stratum was determined on a per stratum basis, with consideration given to the number of flights, number of passengers carried, foreign destinations, number of participating U.S. and foreign carriers serving the area, and airline cooperation.

In practice, some departures from the original sample design are necessary. Substitution for sampled flights is permitted in some circumstances. It has been acceptable, for example, for an airline to change the day of the flight to be surveyed if circumstances prevent the survey's execution on the sampled day.

For various reasons, some airlines occasionally do not participate for the entire quarter; so their samples are not distributed over all months of the quarter. In some cases, strata are eliminated from the sample because of difficulties by the airline in conducting the survey on the desired routs.

Estimation and Reliability of Results

The survey responses are the primary data source for computing estimates. Information developed from the Immigration and Naturalization Service Form I-92 and I-94 flight reports is also used.

The survey responses provide information on distributions of variables and relationships among survey items as well as information relating the country of debarkation to the residence of the passenger. The I-92 data provide total passenger volumes by port of debarkation and the number of U.S. and non-U.S. citizens. The I-94 data provide information on country of residence of visitors to the U.S.

A weight is calculated for each survey respondent. It is defined as the number of passengers, departing from the United States via scheduled international air carriers, that is represented by the respondent. Calculation of the weight is a multistep process.

a. The initial weight of a respondent is one, unless children are part of his or her travel party. In this case, the initial weight has a value greater than one, depending on the number of children and the size of the travel party.

b. Although 100% sampling is performed on a flight, there is usually nonresponse. The respondents are considered a random sample of the passengers, and each weight is increased to cover the nonresponse on the flight.

c. Each weight of a respondent in a stratum is increased to represent all travelers on all flights in the stratum.

d. The I-92 data are incorporated into the weights by port of debarkation to represent not only the participating, but also the nonparticipating, airlines in the survey.

e. Survey estimates of number of visitors to the U.S. are adjusted to I-94 totals for the calendar quarter by country of residence. However, the travel volume estimates in this report may not be exactly equivalent to the I-94 data due to truncation of sample outliers. (This step is included only in the estimating procedure for visitors to the U.S.)

The weights are then used in standard weighted ratio estimation formulas for calculating the distributions, means, and medians found in the published tables.

Because of the multistage nature of the sample design and the resulting computational burden, sampling variability has not been calculated for the estimates. Instead, the reliability of a set of related estimates is indicated by the number of respondents to the relevant questionnaire items. The more respondents, the more reliable the estimate. Judgement must be used in deciding on the degree of confidence to place in an estimate, and in its proper use. Likewise, nonsampling (response and processing) errors have not been estimated but are likely to be significant, especially when combined with sampling variability. Response errors may be of particular significance because of inaccuracies arising from language translations and currency conversions.

A low number of respondents for a quarterly estimate can cause severe distortion because of the large influence any one respondent exerts on the overall value of the estimate.

Questionnaire Enhancements

Beginning in the second quarter of 1985, an enhanced questionnaire was implemented in the survey. This questionnaire reflects the continuing effort of USTTA and publication users to

obtain the most useful information possible. The questionnaire has been streamlined for ease of administration. In addition, questions have been added to obtain information regarding the trip planning process, leisure and recreation trip activities, and airline services.

Comparability of Survey Estimates with Earlier Reports

A number of refinements have been introduced in processing and computation of 1984-1986 survey estimates. Specific procedures used in the preparation of estimates for 1984-1986 but not for earlier reports include the following:

a. Adjustment of numbers of visitors to the U.S. to I-94 totals by country of residence.

b. A change in the definition of visitor to conform more closely to tourist counts used in other statistical systems reporting on international tourism. In the 1984-1986 reports, visitors are defined as persons who spend one to 365 nights away from their usual place of residence.

c. Use of upper and lower limits on quantitative variables in processing of survey results. These limits are introduced to reduce the effect of very unusual reported amounts (or statistical outliers) on specific survey estimates. In the 1984-1986 data, such limits have been placed on reports of expenditures, household income, number of trips to/from the U.S., and travel-party size.

d. To minimize the effects of extreme weights, the high end of the distribution of weights has been truncated in the 1984-1986 estimation procedure.

Introduction of these procedures, as well as other refinements in processing, may affect comparisons of 1984-1986 survey estimates with estimates for earlier periods. Estimates of mean and median party size, mean party expenditures, and percentage distribution for means of booking lodging are not directly comparable to data reported for calendar year 1983.

APPENDIX C

TRAVEL ECONOMIC IMPACT MODEL

TRAVEL ECONOMIC IMPACT MODEL

Introduction

The Travel Economic Impact Model (TEIM) was originally developed by the U.S. Travel Data Center in 1975 under contract to the U.S. Department of the Interior. It is designed to provide annual estimates of the impact of the travel activity of U.S. residents on national, state and county economies in this country. It is a disaggregated model built upon estimates of 14 travel expenditure categories and their impact on 14 types of travel-related businesses at the retail level in terms of business receipts, employment, wage and salary (payroll) income, and tax receipts that result.

The TEIM has the capability of estimating the economic impact of various types of travel such as business and vacation, by transport mode and type of accommodations used, and other trip and traveler characteristics. While the benchmark model estimates are primarily based on data gathered by the U.S. Bureau of the Census in 1977, it has been updated to provide estimates for succeeding years. Moreover, the model was substantially revised in 1978 to incorporate the auto rental sector and was expanded to represent trips to places 100 miles or more away from home, and all overnight trips away from home regardless of distance.

The TEIM has been used to develop estimates of 1977 and subsequent year travel expenditures and the effect of these expenditures on employment, payroll and tax revenue in each of the 50 states and the District of Columbia. The County Impact Component of the TEIM provides estimates of the economic impact of travel and the county and city level.

The estimates of economic impact contained herein were developed through a dBase III+ computer program designed by the staff of the US Travel Data Center and operated on Data Center's personal computers.

Definition of Terms

A "visitor expenditure" is assumed to take place whenever a visitor exchanges money or the promise of money such as a credit card for a good or service while in the U.S. While the USTTA Survey of International Air Travelers gathered information on expenditures in seven categories:

Transportation inside the U.S.
Lodging
Food and beverages
Gifts, souvenirs, and other purchases
Entertainment and recreation
Other spending in the U.S.A.
Inclusive or package tour

Through respondent designation of his/her major mode of transport while in the U.S., transportation spending was further broken down into the two mutually exclusive and inclusive categories of "auto transportation," including rental car expenses and spending when no transport mode was identified, and "public transportation."

It should be noted that visitor spending for international transportation and any expenditures in other countries were excluded from this study.

The "visitor industry," as used herein is the collection of 7 types of retail businesses that provide goods and services to the visitor traveler. These were designated as follows:

Gasoline service stations
Common carrier transportation
Hotels, motels and motor hotels
Campgrounds and trailer parks
Eating and drinking places
Amusement and recreation services
General merchandise and miscellaneous retail stores

The package tour expenditures were broken down into their component industry categories to fit in with list above.

Estimates of Canadian visitor spending in the U.S. and Mexican visitors by land were obtained for the same seven industry categories as well.

"Economic impact" is represented by measures of spending, employment, payroll, business receipts and tax revenues generated by traveler spending. "Payroll" includes all forms of compensation, such as salaries, wages, commissions, bonuses, vacation allowances, sick leave pay and the value of payments in kind paid during the year to all employees. Payroll is reported before deductions for social security, income tax insurance, union dues, etc. This definition follows that used by the U.S. Census Bureau in the 1982 Census of Service Industries.[1]

"Employment" represents the number of jobs generated by traveler spending, both full and part-time. As such, it is consistent with the U.S. Department of Labor series on nonagricultural payroll employment.[2]

Description of the Model[3]

Foreign visitor expenditures were estimated for each of the seven industry sectors listed above in each state (see Appendix A for detail on this process). The TEIM then estimated travel-generated business receipts, employment, and payroll for each sector in each state. Basically, each category of visitor expenditure in a state less the sales and excise taxes applicable to that category equals business receipts for the related business type as defined by the U.S. Census Bureau.

It is assumed that each job in a specific type of business in a state is supported by some amount of business receipts and that each dollar of wages and salaries is similarly supported by some dollar volume of business receipts. The ratios of employment to business receipts are computed for each industry in each state.

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[1]U.S. Bureau of the Census, Census of Service Industries, 1982, Area Series, United States, U.S. Government Printing Office, Washington, D.C., 1984-85.

[2]U.S. Department of Labor, Bureau of Labor Statistics Handbook of Methods, Volume 1, U.S. Government Printing Office, Washington, D.C., 1982, p.14.

[3]For a detailed description of the TEIM, including equations and data sources, see Frechtling, Douglas C., et. al., Travel Economic Impact Model, Volume I: Final Economic Analysis Methodology, U.S. Travel Data Center, Washington, D.C., 1975, 108 pp.

These ratios are then multiplied by the total amount of business receipts generated by traveler spending in a particular type of business in the state to obtain the measures of travel-generated employment and payroll of each type of business in each state. For example, the ratio of employees to business receipts in Georgia hotel/motel establishments is multiplied by visitor-generated business receipts of these establishments to obtain visitor-generated employment in commercial lodging in the state. A similar process is used for the payroll estimates.

The Fiscal Impact component of the TEIM is used to estimate traveler-generated tax revenues of federal, state and local governments. The yield of each type of tax is related to the best measure of the relevant tax base available for each state consistent with the output of the Economic Impact Component. The ratios of yield to base for each type of tax applicable in the area is then applied to the appropriate primary level output to obtain estimates of tax receipts generated by visitors.

Limitations of the TEIM

These travel expenditures and impact estimates are based on sample surveys of travel activity. Consequently, they are subject to all of the sampling and non-sampling errors inherent in sample surveys.

The method of allocating the visitor expenditure survey estimates among categories, industry sectors and states may distort actual expenditure behavior and resulting impact for individual states and sectors. However, given the difficulty respondents have in recalling the details of their expenditures, it is difficult to construct a better survey and estimation approach given the funds available.

Most travel expenditure data collected is on a "type of purchase" rather than "point of purchase" basis. This means there is some incongruity in matching spending on different goods and services while traveling with the receipts, employment and payroll of different types of businesses.

For example, all spending for meals is assumed to take place in eating and drinking places whereas some may actually occur in hotels or other commercial lodging places. Consequently, visitor-generated employment and payroll in eating and drinking places may be somewhat overestimated but is offset by an underestimation of visitor-generated employment and payroll estimates for hotels and motels.

This inconsistency does not appear to introduce major errors in the calculations and can only be corrected upon collection of point-of-purchase expenditure data.

APPENDIX D

IN-FLIGHT SURVEY EXPENDITURE DETAIL FOR SELECTED STATES

IN-FLIGHT SURVEY EXPENDITURE DETAIL FOR SELECTED STATES

Table D2 below provides estimates for selected states of the expenditures of foreign visitors from overseas countries (i.e., all other countries except Canada and Mexico) and those of visitors from Mexico arriving by air. These are derived through the USTTA Survey of International Air Travelers.

Since these estimates are derived from a probability sample, they have a distribution for which sampling variability can be estimated. The expenditures listed are estimates of the mean of all such samples of similar size. Through statistical theory, we can establish the variance of these means and thus how confident we can be that the expenditure estimates derived from this sample approach the actual mean if the entire foreign visitor population could have been surveyed.

Customary estimates of the mean of a sample distribution break down when the distribution is heavily skewed in one direction. In this case, this skewness is evident by a relatively small number of respondents indicating they spent a great deal while in the U.S. A statistical technique suitable for skewed distributions of this type begins with computation of a non-parametric estimate of the standard deviation (S.D.) around the mean of the distribution based upon the following formula:

$$S.D. = 1/4 * [y(1/16) + 3/4 * y(1/4) - 3/4 * y(3/4) - y(15/16)],$$

where y(n/m) is the expenditure value exceeded by n/m of the respondents. (For the derivation of this formula, see Quenouille, Rapid Statistical Calculations, Hafner Publishing Company, New York, 1959.)

These estimates of the regional standard deviations were calculated for each of the Census Divisions. Then for each division the estimated standard deviation was divided by the estimated mean of spending per visitor in the division computed by the following equation:

$$mean = 1/6 [y(1/16) + y(1/4) + 2y(1/2) + y(3/4) + y(15/16)],$$

where y(n/m) is the expenditure value exceeded by n/m of respondents.

The resulting divisional factors were then used to calculate the standard deviation for each state in each division. This was done by first dividing the total amount reported spent in the state by the number of respondents reported visiting the state to obtain a sample estimate of mean expenditures per visitor. This mean expenditure was than multiplied by the appropriate divisional factor to estimate the standard deviation for each state.

The standard error of the mean expenditure for each state was then calculated by the formula:

$$\text{standard error} = \text{S.D.} / \sqrt{n} ,$$

where "n" is the number of respondents providing expenditure information for the state.

Dividing the standard error for each state by the mean expenditure per visitor provides an estimate of the relative sampling variability of the estimate of visitor expenditures at the 68 percent level of confidence. Multiplying this by 1.96 produces an estimate of the relative sampling variability at the 95 percent confidence level. That is, we can be certain that the actual visitor expenditures in a state lies within a band around the estimated visitor expenditures indicated by the relative sampling variability for 95 percent of the samples of this size we could possibly draw.

Table D1 provides the estimates of the relative sampling variability of the in-flight survey expenditure estimates for each state at the 95 percent confidence level.

Table D1: Foreign Visitor Survey Expenditures and Relative Sampling Variability, 1985-86* (Annual Average) (95% confidence level)

State	Survey expenditure estimates ($millions)	Relative sampling variability
Alabama	$ 47.4	15.1%
Alaska	9.8	28.8%
Arizona	114.8	7.1%
Arkansas	15.1	26.4%
California	2,512.3	1.6%
Colorado	118.0	6.8%
Connecticut	81.3	8.4%
Delaware	20.2	23.0%
Florida	1,467.4	2.6%
Georgia	154.9	7.0%
Hawaii	1,296.2	2.6%
Idaho	16.2	18.4%
Illinois	359.9	4.4%
Indiana	58.0	11.6%
Iowa	21.4	17.0%
Kansas	26.8	21.3%
Kentucky	24.8	18.4%
Louisiana	122.9	7.9%
Maine	30.5	20.6%
Maryland	63.7	10.3%
Massachusetts	356.4	4.4%
Michigan	164.6	6.9%
Minnesota	116.4	8.3%
Mississippi	13.4	26.2%
Missouri	50.5	10.9%
Montana	8.3	34.6%
Nebraska	17.2	21.3%
Nevada	207.5	4.6%
New Hampshire	10.8	19.4%
New Jersey	167.5	7.1%
New Mexico	19.2	15.4%
New York	1,670.2	2.3%
North Carolina	99.5	9.3%
North Dakota	2.0	42.4%
Ohio	152.5	6.9%

Table D1: Foreign Visitor Survey Expenditures and Relative Sampling Variability, 1985-86 (Annual Average) Continued (95% confidence level)

State	Survey expenditure estimates ($ millions)	Relative sampling variability
Oklahoma	$ 31.0	16.4%
Oregon	79.4	10.0%
Pennsylvania	155.5	6.3%
Rhode Island	23.4	17.9%
South Carolina	48.1	12.8%
South Dakota	10.5	35.2%
Tennessee	55.4	11.9%
Texas	597.1	4.0%
Utah	30.6	12.5%
Vermont	12.3	18.9%
Virginia	100.5	9.8%
Washington	177.2	6.5%
West Virginia	7.0	26.5%
Wisconsin	61.9	10.3%
Wyoming	4.3	29.4%
District of Columbia	341.8	4.5%
Total	$11,443.4	

* does not include expenditures by Canada and Mexico land visitors

Note: Details may not add to totals due to rounding.

Source: US Travel Data Center

Table D2 presents the expenditures broken down into individual expenditure categories for those states where the relative error of the total estimate is ten percent or less.

Table D2: Foreign Visitor Expenditures by State Visited, by Category
1985-1986 (Annual Average) ($ millions)

State	Public Trans.	Auto Trans.	Lodging	Food	Entertainment	Incidentals	Total
Arizona	$ 21.2	$ 23.9	$ 66.3	$ 71.7	$ 27.7	$ 125.1	$ 335.9
California	306.8	143.9	851.2	653.4	299.3	960.5	3,215.2
Colorado	20.6	3.2	36.0	27.3	12.4	33.2	132.6
Connecticut	15.1	4.8	27.5	18.4	7.7	18.3	91.7
Florida	188.9	144.9	569.6	483.3	227.5	531.7	2,146.0
Georgia	22.1	8.8	57.1	36.5	13.9	42.4	180.7
Hawaii	120.4	39.0	395.7	267.8	200.7	480.5	1,504.2
Illinois	52.6	7.8	124.0	86.9	32.1	89.0	392.4
Louisiana	19.0	3.9	41.3	31.6	11.9	30.7	138.3
Massachusetts	53.4	15.4	130.6	89.7	31.9	98.1	419.2
Michigan	24.7	10.8	72.2	51.4	15.5	47.1	221.8
Minnesota	16.4	5.5	39.5	29.5	11.0	40.5	142.4
Nevada	41.7	17.7	89.4	69.3	38.3	67.3	323.7
New Jersey	24.0	10.8	69.4	48.3	18.5	44.9	216.0
New York	220.8	44.9	577.9	392.1	168.0	479.5	1,883.2
N. Carolina	13.2	7.7	37.9	24.6	8.0	25.9	117.4
Ohio	23.3	7.6	57.7	39.7	13.9	41.7	184.0
Oregon	10.9	5.0	26.8	21.8	8.0	29.4	101.9
Pennsylvania	27.0	6.8	54.4	41.0	16.0	44.5	189.9
Texas	69.1	86.7	270.6	296.9	110.6	666.4	1,500.4
Virginia	13.1	7.5	29.0	30.4	10.9	38.1	129.0
Washington	27.4	17.0	75.5	59.6	20.9	57.0	257.5
District of Columbia	53.0	9.7	104.3	69.8	26.9	98.1	361.7

Note: Details may not add to totals due to rounding.
Source: US Travel Data Center

Table D3 presents expenditures for 1985 and 1986 separately for those states where the relative error of the total estimate is ten percent or less for both years.

Table D3: Foreign Visitor Survey Expenditures by State Visited, 1985 and 1986 Separately ($ millions) (95% confidence level)

State	1985	1986
California	$ 2,169.8	$ 2,854.8
Florida	1,263.3	1,671.5
Hawaii	1,088.3	1,504.1
Illinois	326.8	392.9
Massachusetts	349.0	363.9
Nevada	199.2	215.8
New York	1,596.1	1,744.2
Texas	550.1	644.0
District of Columbia	324.8	358.8

* does not include expenditures by Canadian or Mexico land visitors

Source: US Travel Data Center

APPENDIX E

FOREIGN VISITOR-GENERATED TAX REVENUE DETAILS FOR SELECTED STATES

The following table breaks down the tax revenue generated by all foreign visitor spending in the U.S. during 1985-86 among federal, state and local levels of government for selected states. These states were selected for such detail due to the relatively low sampling variability of their expenditure estimates. Each shows an inflight survey relative sampling variability of less than ±10 percent at the 95 percent confidence level. See Appendix D for more information.

Table E1: Foreign Visitor-Generated Tax Revenue for Selected States, by Level of Government, 1985-86 (Annual Average) ($ millions)

State	Federal	State	Local	Total
Arizona	$ 13	$ 17	$ 5	$ 34
California	153	110	101	363
Colorado	9	4	3	16
Connecticut	8	6	1	15
Florida	98	98	26	222
Georgia	10	7	2	18
Hawaii	65	86	8	159
Illinois	28	18	8	53
Louisiana	7	6	3	16
Massachusetts	25	21	5	51
Michigan	16	10	3	28
Minnesota	9	9	2	19
Nevada	19	9	4	31
New Jersey	14	12	2	28
New York	130	81	70	281
North Carolina	5	4	2	11
Ohio	12	8	5	24
Oregon	6	1	2	9
Pennsylvania	12	10	2	23
Texas	70	57	23	149
Virginia	6	4	2	12
Washington	13	16	3	32
District of Columbia	33	N/A	32	65

N/A = not applicable
Source: US Travel Data Center